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| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
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| 09/805,531 | 03/13/2001 | Kenneth C. Miller | | 2117 |

7590
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04/11/2005

EXAMINER

BOVEJA, NAMRATA

| ART UNIT | PAPER NUMBER |
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3622

DATE MAILED: 04/11/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

| | | | |
|------------------------------|--------------------------------------|---|--|
| Office Action Summary | Application No. 09/805,531 | Applicant(s) MILLER, KENNETH C. | |
| | Examiner Namrata Boveja | Art Unit 3622 | |

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 13 March 2000.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-15 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-15 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on 03/13/2000 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date <u>07/10/2001</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. Claims 1-15 are presented for examination.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209

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USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the

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"technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a

§101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

Claims 1-15 are rejected under 35 U.S.C. 101, because the claimed invention is directed to a non-statutory subject matter. In fact, the process or steps disclosed in independent claims 1 and 15 pertain to a manual process and therefore, the claims do not fall within the technological art. For example, the steps or process of displaying an advertisement, indicating the advertisement seeks feedback, receiving feedback, crediting an account for providing feedback, and compiling the feedback as recited in claim 1 should be implemented via a device, such as a computer system, a database, a data communication, computer network, the Internet and so forth. Since claim 15 suffers from the same deficiencies, it is herein rejected under a similar rationale as applied above to claim 1.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless – (b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

2. Claims 1-4, and 6-15 are rejected under 102(b) as being anticipated by Walker et al (6,216,111 hereinafter Walker).

With respect to claim 1, 2, and 3, Walker describes a method of determining advertising effectiveness that includes displaying an advertisement (col. 5 lines 22-28 and Figure 5) in a computer-readable format (col. 8 lines 31-41 and Figure 2), radio or

television broadcasting the advertisement (col. 5 lines 24-27), incorporating the advertisement into pre-recorded media (col. 5 lines 46-63, col. 6 lines 26-28, and Figure 6), indicating to audience members that the advertisement seeks a feedback response (col. 7 lines 21-44), receiving feedback responses from the audience (col. 7 lines 32-49 and Figure 6), crediting an account for each audience member who provides a feedback response (col. 7 lines 50-56, Figure 6, and Figure 7), and compiling feedback from the audience (col. 8 lines 8-12 and col. 9 lines 5-9).

3. In reference to claim 6, Walker teaches a step indicating that the advertisement seeks feedback responses includes providing a visual indicator on a visual display (col. 5 lines 18-28).

4. In reference to claim 7, Walker teaches providing an audible indicator through a speaker during a telemarketing sales presentation (col. 3 lines 21-25 and col. 8 lines 4-12).

5. In reference to claim 8, Walker teaches the step of receiving feedback responses from audience including receiving data from electronic devices including a telephone personal computer operated by the audience (col. 8 line 31-41 and col. 5-44).

6. In reference to claims 9, 10, and 14, Walker discloses the introduction of a live agent during the presentation of an automated sales presentation that interacts with the customer by asking questions about the advertisement (col. 8 lines 1-12) and thereby verifies the audience has access to a specific advertisement, has identified that advertisement, and whether or not the audience has comprehended that advertisement.

7. In reference to claims 11 and 12, Walker teaches indicating to an audience member that a feedback response has been received from that audience member (col. 7 lines 8-13). Furthermore, Walker teaches a step indicating a credit balance to an audience member following the receipt of a feedback response (col. 7 lines 50-60).

8. In reference to claim 15, Walker describes a method of determining advertising effectiveness comprising the steps of displaying an advertisement (col. 5 lines 22-28 and Figure 5), indicating to audience members that the advertisement seeks a feedback response (col. 7 lines 21-44) by providing a visual indicator on a visual display (col. 5 lines 18-28), receiving feedback responses from the audience (col. 7 lines 32-49 and Figure 6) by receiving data from electronic devices (including a telephone personal computer operated by the audience (col. 8 line 31-41 and col. 5-44) wherein the data includes information indicating whether the audience comprehends the advertisement (col. 8 lines 1-12), indicating that a feedback response has been received from the audience member (col. 7 lines 8-13), crediting an account for each audience member who provides a feedback response (col. 7 lines 50-56, Figure 6, and Figure 7) and indicating a credit balance to an audience member following the receipt of a feedback response from that audience member (col. 7 lines 50-56), and compiling feedback from the audience (col. 8 lines 8-12 and col. 9 lines 5-9).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the

invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

9. Claim 5 is rejected under 35 U.S.C. 103(a) as being unpatentable over Walker in view of official notice.

Claim 5 recites a method for determining advertising effectiveness where advertisement display can take place on a billboard. Official notice is taken that advertising on a billboard is well known in the art and in the field of retail marketing. For example, these advertising mediums have been widely used to announce a retail sale on various products or to announce the location of a nearby store location. Therefore, it would have been obvious to include in Walker a billboard, since it is an old and well-known type of advertising medium that is conventionally used in the retail-advertising environment and would yield better results when used in collaboration with computer-readable advertising, broadcast advertising, and pre-recorded media advertising as suggested by Walker.

10. Claim 13 is rejected under 35 U.S.C. 103(a) as being unpatentable over Walker in view of an article by Precker, titled "listening to advertisements may lead to free phone calls from long-distance company; company has system to let people keep in touch in exchange for hearing commercials" (hereinafter Precker).

In reference to claim 13, Walker teaches the step of crediting an account for listening to an advertisement (col. 7 lines 50-56, Figure 6, and Figure 7). Walker does not explicitly disclose crediting an account including crediting additional credits for responding to multiple advertisements. Precker teaches rewarding audience with long distance call time for listening to multiple advertisements (pg. 2 lines 14-17).

It would have been obvious to modify Walker to include crediting additional credits for responding to multiple advertisements, because more than one advertisement call in offer could be sent in with each monthly credit card statement (col. 5 lines 18-28) of Walker, and different advertisement call in offers can be sent each month to the target audience with the statements. Furthermore, the script database presented in Walker can play multiple scripts that could correspond to the different advertisements.

Additionally, if there is significant participation by the users in calling in to respond to one advertisement, the users may be interested in repeating this action for additional advertising opportunities they are presented with in the future for new or same products or services.

Conclusion

11. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure include the following.

- a) Hammons Patent Number 6,477,509. Teaches the use of computer and Internet based advertising with an example of a lender.
- b) Hornblad Patent Number 4,937,962. Teaches the use of a display banner to for retail marketing.
- c) Gordon et al "Consumer Attitudes Towards Internet Advertising. A Social Contract Perspective." International Marketing Review. 1997. Vol. 14, Iss. 5. Pg. 362. Teaches and presents the results of a survey regarding how the audience interacts and receives Internet based advertising.

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- d) Lach "Clicks for Free." American Demographics. February 1999. Vol. 21, Iss. 2. Pg. 54-55. Teaches how an incentive of free Internet access was given for viewing banner advertisements on the Internet.
- e) Anonymous "Goodies in Exchange for Consumer Information." Communications of the ACM. March 1998. Vol. 41, No. 3. Pg. 41. Teaches the use of monetary incentive advertising for viewing advertisements and surveys.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Namrata (Pinky) Boveja whose telephone number is 703-605-0725. The examiner can normally be reached on Mon-Fri, 8:00 am to 4:30 pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on 703-605-0725. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

For the upcoming move to the new Alexandria office, everyone has been assigned new phone and Right Fax numbers. My new phone number will be: 571-272-8105, my supervisor's phone number will be: 571-272-6724. This change will not happen until April 2005 (or later) and therefore our current numbers are still in service until the move.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR.

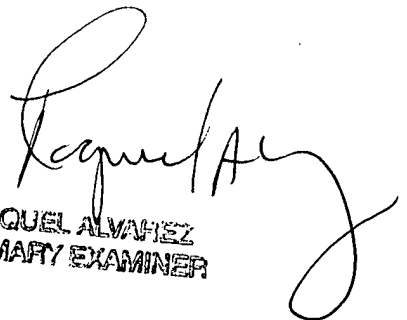
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Status information for unpublished applications is available through Private PAIR only.

For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

NB

April 1, 2005


RAQUEL ALVAREZ
PRIMARY EXAMINER